

Assembly Bill No. 775

CHAPTER 124

An act to amend Section 4603.2 of, and to add Section 4600.4 to, the Labor Code, relating to workers' compensation.

[Approved by Governor July 14, 1999. Filed with
Secretary of State July 14, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 775, Calderon. Workers' compensation: medical care.

(1) Existing law requires an employer to provide health care to injured employees for injuries and diseases compensable under the law relating to workers' compensation. Existing law requires the Administrative Director of the Division of Workers' Compensation to biennially adopt and revise an official medical fee schedule.

This bill would require that a workers' compensation insurer, third-party administrator, or other entity that requires a treating physician to obtain either utilization review or prior authorization in order to diagnose or treat compensable injuries or diseases ensure the availability of those services from 9 a.m. to 5:30 p.m. Pacific coast time of each normal business day. The bill would define normal business day.

(2) Existing workers' compensation law requires an employer to make payment for medical services rendered by an employee's treating physician after receipt of certain required reports, and requires that payment for medical treatment provided or authorized by the treating physician be made by the employer within 60 days after receipt of each separate, itemized billing, together with any required reports.

This bill would refer to payment for medical treatment provided or authorized by the treating physician selected by the employee or designated by the employer. It would also provide that if the billing or a portion thereof is contested, denied, or considered incomplete, the physician shall be notified, in writing, that the billing is contested, denied, or considered incomplete, within 30 working days after receipt of the billing by the employer. The bill would require a notice that a bill is incomplete to state all the additional information required to make a decision.

The people of the State of California do enact as follows:

SECTION 1. Section 4600.4 is added to the Labor Code, to read:

4600.4. (a) A workers' compensation insurer, third-party administrator, or other entity that requires, or pursuant to regulation

requires, a treating physician to obtain either utilization review or prior authorization in order to diagnose or treat injuries or diseases compensable under this article, shall ensure the availability of those services from 9 a.m. to 5:30 p.m. Pacific coast time of each normal business day.

(b) For purposes of this section “normal business day” means a business day as defined in Section 9 of the Civil Code.

SEC. 2. Section 4603.2 of the Labor Code is amended to read:

4603.2. (a) Upon selecting a physician pursuant to Section 4600, the employee or physician shall forthwith notify the employer of the name and address of the physician. The physician shall submit a report to the employer within five working days from the date of the initial examination and shall submit periodic reports at intervals that may be prescribed by rules and regulations adopted by the administrative director.

(b) Payment for medical treatment provided or authorized by the treating physician selected by the employee or designated by the employer shall be made by the employer within 60 days after receipt of each separate, itemized billing, together with any required reports. If the billing or a portion thereof is contested, denied, or considered incomplete, the physician shall be notified, in writing, that the billing is contested, denied, or considered incomplete, within 30 working days after receipt of the billing by the employer. A notice that a billing is incomplete shall state all additional information required to make a decision. Any properly documented amount not paid within the 60-day period shall be increased by 10 percent, together with interest at the same rate as judgments in civil actions retroactive to the date of receipt of the bill, unless the employer does both of the following:

(1) Pays the uncontested amount within the 60-day period.

(2) Advises, in the manner prescribed by the administrative director, the physician, or another provider of the items being contested, the reasons for contesting these items, and the remedies available to the physician or the other provider if he or she disagrees. In the case of a bill which includes charges from a hospital, outpatient surgery center, or independent diagnostic facility, advice that a request has been made for an audit of the bill shall satisfy the requirements of this paragraph.

If an employer contests all or part of a billing, any amount determined payable by the appeals board shall carry interest from the date the amount was due until it is paid.

An employer’s liability to a physician or another provider under this section for delayed payments shall not affect its liability to an employee under Section 5814 or any other provision of this division.

(c) Any interest or increase in compensation paid by an insurer pursuant to this section shall be treated in the same manner as an increase in compensation under subdivision (d) of Section 4650 for

the purposes of any classification of risks and premium rates, and any system of merit rating approved or issued pursuant to Article 2 (commencing with Section 11730) of Chapter 3 of Part 3 of Division 2 of the Insurance Code.

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